

Department of Administration

Board of Risk and Insurance Management

Mission

The mission of the Board of Risk and Insurance Management division (BRIM) is to provide a comprehensive risk management program to qualifying participants assuring customer satisfaction by the ethical and cost conscious expenditure of public funds.

Operations

BRIM provides insurance for various programs:

- * State entity program—Property and casualty insurance to state agencies
- * Mine subsidence program—Administers a coal mine subsidence reinsurance program for damage caused by the collapse of underground coal mines
- * Senate Bill 3 program—Property and casualty insurance to boards of education, other governmental entities, and nonprofit organizations
- * Patient Injury Compensation—A fund to provide additional compensation to injured parties

Administrative/Finance

- Overall management of the agency including handling accounts payable/accounts receivable and preparing required budgetary documents.
- Answers inquiries from the press and public regarding claims and general information pertaining to the BRIM program.
- Oversees the annual completion of the audit of BRIM's financial statements.
- Coordinates financial plans and premium projections with the independent actuary.

Claims

- Directly handles first party property and mine subsidence claims, utilizing the services of independent adjusters and engineers.
- Oversees the handling of State and Senate Bill 3 liability claims by a third party administrator.
- Oversees the handling of nontransferring medical malpractice claims (House Bill 601) by a third party administrator.
- Assists customers by aiding in the submission of claims and in answering questions regarding the agency and the various insurance programs.

Loss Control

- Analyzes losses that BRIM customers have incurred, and communicates the data to them.
- Provides recommendations for root causes of losses and actions to eliminate or reduce future losses.

Underwriting

- Handles the premium calculation function for the State and Senate Bill 3 programs.
- Handles the collection of information through the mailing of a renewal questionnaire.
- Maintains the customer database for the BRIM program.
- Processes all requests for changes to customer accounts.
- Maintains the mine subsidence policy count information and database.

Goals/Objectives

Achieve solvency in each individual line of business (State, Senate Bill 3, and mine subsidence).

- Maintain or achieve positive retained earnings in each line of business by FY 2015.

Prepare and present the FY 2005 Comprehensive Annual Financial Report (CAFR).

- Earn the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the FY 2005 CAFR.
- Produce a CAFR that has an unqualified opinion from the independent auditors.

Performance Measures

- ✓ Earned from the Government Finance Officers Association the Certificate of Excellence in Financial Reporting for production of the FY 2004 CAFR. This award has been received for the last ten consecutive years (FY 1995 through FY 2004).
- ✓ Unqualified audit opinions for FY 1996 through FY 2005.

<u>Fiscal Year</u>	<u>Actual</u> <u>2003</u>	<u>Actual</u> <u>2004</u>	<u>Estimated</u> <u>2005</u>	<u>Actual</u> <u>2005</u>	<u>Estimated</u> <u>2006</u>	<u>Estimated</u> <u>2007</u>
State retained earnings (in thousands)	(\$26,942)	(\$15,691)	(\$8,234)	\$7,194	\$8,000	\$9,100
SB 3 retained earnings (in thousands)	(\$26,468)	(\$29,572)	(\$28,500)	(\$27,197)	(\$25,000)	(\$22,000)
Mine subsidence retained earnings (in thousands)	\$16,829	\$17,357	\$18,000	\$19,729	\$19,750	\$19,975
Medical malpractice retained earnings (in thousands)	(\$2,666)	\$520	\$800	\$801	\$805	\$810

Expenditures

	TOTAL FTE POSITIONS 11/30/2005	ACTUALS FY 2005	BUDGETED FY 2006	REQUESTED FY 2007	GOVERNOR'S RECOMMENDATION
EXPENDITURE BY PROGRAM					
Board of Risk & Insurance Management	26.05	\$109,865,987	\$92,770,876	\$106,024,732	
Less: Reappropriated		0	0	0	
TOTAL BY PROGRAM	26.05	109,865,987	92,770,876	106,024,732	106,024,732
EXPENDITURE BY FUND					
General Fund					
FTE Positions		0.00	0.00	0.00	0.00
Total Personal Services		0	0	0	0
Employee Benefits		0	0	0	0
Other Expenses		2,000,000	0	0	0
Less: Reappropriated		0	0	0	0
Subtotal: General Fund		2,000,000	0	0	0
Federal Fund					
FTE Positions		0.00	0.00	0.00	0.00
Total Personal Services		0	0	0	0
Employee Benefits		0	0	0	0
Other Expenses		0	0	0	0
Subtotal: Federal Fund		0	0	0	0
Appropriated Special Fund					
FTE Positions		0.00	0.00	0.00	0.00
Total Personal Services		0	0	0	0
Employee Benefits		0	0	0	0
Other Expenses		0	0	0	0
Less: Reappropriated		0	0	0	0
Subtotal: Appropriated Special Fund		0	0	0	0
Nonappropriated Special Fund					
FTE Positions		26.05	26.05	26.05	26.05
Total Personal Services		970,598	1,166,182	1,167,582	1,167,582
Employee Benefits		278,859	340,204	340,465	340,465
Other Expenses		106,616,530	91,264,490	104,516,685	104,516,685
Subtotal: Nonappropriated Special Fund		107,865,987	92,770,876	106,024,732	106,024,732
TOTAL FTE POSITIONS BY FUND	26.05	26.05	26.05	26.05	26.05
TOTAL EXPENDITURES BY FUND		\$109,865,987	\$92,770,876	\$106,024,732	\$106,024,732